



General Assembly

***Amendment***

***February Session, 2006***

LCO No. **4806**

**\*SB0050204806HR0\***

Offered by:

REP. MILLER, 122<sup>nd</sup> Dist.

To: Senate Bill No. **502**

File No. 104

Cal. No. 450

(As Amended)

***"AN ACT CONCERNING UNFAIR TRADE PRACTICES AND CASH  
DISCOUNTS FOR GASOLINE."***

1 After the last section, add the following and renumber sections and  
2 internal references accordingly:

3 "Sec. 501. Section 12-587 of the 2006 supplement to the general  
4 statutes is repealed and the following is substituted in lieu thereof  
5 (*Effective from passage*):

6 (a) As used in this chapter: (1) "Company" includes a corporation,  
7 partnership, limited partnership, limited liability company, limited  
8 liability partnership, association, individual or any fiduciary thereof;  
9 (2) "quarterly period" means a period of three calendar months  
10 commencing on the first day of January, April, July or October and  
11 ending on the last day of March, June, September or December,  
12 respectively; (3) "gross earnings" means all consideration received  
13 from the first sale within this state of a petroleum product; (4)

14 "petroleum products" means those products which contain or are  
15 made from petroleum or a petroleum derivative; (5) "first sale of  
16 petroleum products within this state" means the initial sale of a  
17 petroleum product delivered to a location in this state; (6) "export" or  
18 "exportation" means the conveyance of petroleum products from  
19 within this state to a location outside this state for the purpose of sale  
20 or use outside this state; and (7) "sale for exportation" means a sale of  
21 petroleum products to a purchaser which itself exports such products.

22 (b) (1) Except as otherwise provided in subdivision (2) of this  
23 subsection, any company which is engaged in the refining or  
24 distribution, or both, of petroleum products and which distributes  
25 such products in this state shall pay a quarterly tax on its gross  
26 earnings derived from the first sale of petroleum products within this  
27 state. Each company shall on or before the last day of the month next  
28 succeeding each quarterly period render to the commissioner a return  
29 on forms prescribed or furnished by the commissioner and signed by  
30 the person performing the duties of treasurer or an authorized agent or  
31 officer, including the amount of gross earnings derived from the first  
32 sale of petroleum products within this state for the quarterly period  
33 and such other facts as the commissioner may require for the purpose  
34 of making any computation required by this chapter. Except as  
35 otherwise provided in subdivision (3) of this subsection, the rate of tax  
36 shall be (A) five per cent with respect to calendar quarters prior to July  
37 1, 2005; (B) five and eight-tenths per cent with respect to calendar  
38 quarters commencing on or after July 1, 2005, and prior to July 1, 2006;  
39 (C) six and [three-tenths] one-tenth per cent with respect to calendar  
40 quarters commencing on or after July 1, 2006, and prior to July 1, [2007]  
41 2008; and (D) seven per cent with respect to calendar quarters  
42 commencing on or after July 1, [2007] 2008. [, and prior to July 1, 2008;  
43 (E) seven and one-half per cent with respect to calendar quarters  
44 commencing on or after July 1, 2008, and prior to July 1, 2013; and (F)  
45 eight and one-tenth per cent with respect to calendar quarters  
46 commencing on or after July 1, 2013.]

47 (2) Gross earnings derived from the first sale of the following

48 petroleum products within this state shall be exempt from tax: (A) Any  
49 petroleum products sold for exportation from this state for sale or use  
50 outside this state; (B) the product designated by the American Society  
51 for Testing and Materials as "Specification for Heating Oil D396-69",  
52 commonly known as number 2 heating oil, to be used exclusively for  
53 heating purposes or to be used in a commercial fishing vessel, which  
54 vessel qualifies for an exemption pursuant to section 12-412, as  
55 amended; (C) kerosene, commonly known as number 1 oil, to be used  
56 exclusively for heating purposes, provided delivery is of both number  
57 1 and number 2 oil, and via a truck with a metered delivery ticket to a  
58 residential dwelling or to a centrally metered system serving a group  
59 of residential dwellings; (D) the product identified as propane gas, to  
60 be used exclusively for heating purposes; (E) bunker fuel oil,  
61 intermediate fuel, marine diesel oil and marine gas oil to be used in  
62 any vessel having a displacement exceeding four thousand dead  
63 weight tons; (F) for any first sale occurring prior to July 1, 2008,  
64 propane gas to be used as a fuel for a motor vehicle; (G) for any first  
65 sale occurring on or after July 1, 2002, grade number 6 fuel oil, as  
66 defined in regulations adopted pursuant to section 16a-22c, to be used  
67 exclusively by a company which, in accordance with census data  
68 contained in the Standard Industrial Classification Manual, United  
69 States Office of Management and Budget, 1987 edition, is included in  
70 code classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in  
71 the North American Industrial Classification System United States  
72 Manual, United States Office of Management and Budget, 1997 edition;  
73 (H) for any first sale occurring on or after July 1, 2002, number 2  
74 heating oil to be used exclusively in a vessel primarily engaged in  
75 interstate commerce, which vessel qualifies for an exemption under  
76 section 12-412, as amended; (I) for any first sale occurring on or after  
77 July 1, 2000, paraffin or microcrystalline waxes; or (J) for any first sale  
78 occurring prior to July 1, 2008, petroleum products to be used as a fuel  
79 for a fuel cell, as defined in subdivision (113) of section 12-412, as  
80 amended.

81 (3) The rate of tax on gross earnings derived from the first sale of

82 grade number 6 fuel oil, as defined in regulations adopted pursuant to  
83 section 16a-22c, to be used exclusively by a company which, in  
84 accordance with census data contained in the Standard Industrial  
85 Classification Manual, United States Office of Management and  
86 Budget, 1987 edition, is included in code classifications 2000 to 3999,  
87 inclusive, or in Sector 31, 32 or 33 in the North American Industrial  
88 Classification System United States Manual, United States Office of  
89 Management and Budget, 1997 edition, or number 2 heating oil used  
90 exclusively in a vessel primarily engaged in interstate commerce,  
91 which vessel qualifies for an exemption under section 12-412, as  
92 amended, shall be: (A) Four per cent with respect to calendar quarters  
93 commencing on or after July 1, 1998, and prior to July 1, 1999; (B) three  
94 per cent with respect to calendar quarters commencing on or after July  
95 1, 1999, and prior to July 1, 2000; (C) two per cent with respect to  
96 calendar quarters commencing on or after July 1, 2000, and prior to  
97 July 1, 2001; and (D) one per cent with respect to calendar quarters  
98 commencing on or after July 1, 2001, and prior to July 1, 2002.

99 (c) (1) Any company which imports or causes to be imported into  
100 this state petroleum products for sale, use or consumption in this state,  
101 other than a company subject to and having paid the tax on such  
102 company's gross earnings from first sales of petroleum products  
103 within this state, which earnings include gross earnings attributable to  
104 such imported or caused to be imported petroleum products, in  
105 accordance with subsection (b) of this section, shall pay a quarterly tax  
106 on the consideration given or contracted to be given for such  
107 petroleum product if the consideration given or contracted to be given  
108 for all such deliveries during the quarterly period for which such tax is  
109 to be paid exceeds three thousand dollars. Except as otherwise  
110 provided in subdivision (3) of this subsection, the rate of tax shall be  
111 (A) five per cent with respect to calendar quarters commencing prior to  
112 July 1, 2005; (B) five and eight-tenths per cent with respect to calendar  
113 quarters commencing on or after July 1, 2005, and prior to July 1, 2006;  
114 (C) six and [three-tenths] one-tenth per cent with respect to calendar  
115 quarters commencing on or after July 1, 2006, and prior to July 1, [2007]

116 2008; and (D) seven per cent with respect to calendar quarters  
117 commencing on or after July 1, [2007] 2008. [, and prior to July 1, 2008;  
118 (E) seven and one-half per cent with respect to calendar quarters  
119 commencing on or after July 1, 2008, and prior to July 1, 2013; and (F)  
120 eight and one-tenth per cent with respect to calendar quarters  
121 commencing on or after July 1, 2013.] Fuel in the fuel supply tanks of a  
122 motor vehicle, which fuel tanks are directly connected to the engine,  
123 shall not be considered a delivery for the purposes of this subsection.

124 (2) Consideration given or contracted to be given for petroleum  
125 products, gross earnings from the first sale of which are exempt from  
126 tax under subdivision (2) of subsection (b) of this section, shall be  
127 exempt from tax.

128 (3) The rate of tax on consideration given or contracted to be given  
129 for grade number 6 fuel oil, as defined in regulations adopted  
130 pursuant to section 16a-22c, to be used exclusively by a company  
131 which, in accordance with census data contained in the Standard  
132 Industrial Classification Manual, United States Office of Management  
133 and Budget, 1987 edition, is included in code classifications 2000 to  
134 3999, inclusive, or in Sector 31, 32 or 33 in the North American  
135 Industrial Classification System United States Manual, United States  
136 Office of Management and Budget, 1997 edition, or number 2 heating  
137 oil used exclusively in a vessel primarily engaged in interstate  
138 commerce, which vessel qualifies for an exemption under section 12-  
139 412, as amended, shall be: (A) Four per cent with respect to calendar  
140 quarters commencing on or after July 1, 1998, and prior to July 1, 1999;  
141 (B) three per cent with respect to calendar quarters commencing on or  
142 after July 1, 1999, and prior to July 1, 2000; (C) two per cent with  
143 respect to calendar quarters commencing on or after July 1, 2000, and  
144 prior to July 1, 2001; and (D) one per cent with respect to calendar  
145 quarters commencing on or after July 1, 2001, and prior to July 1, 2002.

146 (d) The amount of tax reported to be due on such return shall be  
147 due and payable on or before the last day of the month next  
148 succeeding the quarterly period. The tax imposed under the provisions

149 of this chapter shall be in addition to any other tax imposed by this  
150 state on such company.

151 (e) For the purposes of this chapter, the gross earnings of any  
152 producer or refiner of petroleum products operating a service station  
153 along the highways or interstate highways within the state pursuant to  
154 a contract with the Department of Transportation or operating a  
155 service station which is used as a training or test marketing center  
156 under the provisions of subsection (b) of section 14-344d, shall be  
157 calculated by multiplying the volume of petroleum products delivered  
158 by any producer or refiner to any such station by such producer's or  
159 refiner's dealer tank wagon price or dealer wholesale price in the area  
160 of the service station."